REPUBLIC OF LEBANON
MINISTRY OF FINANCE

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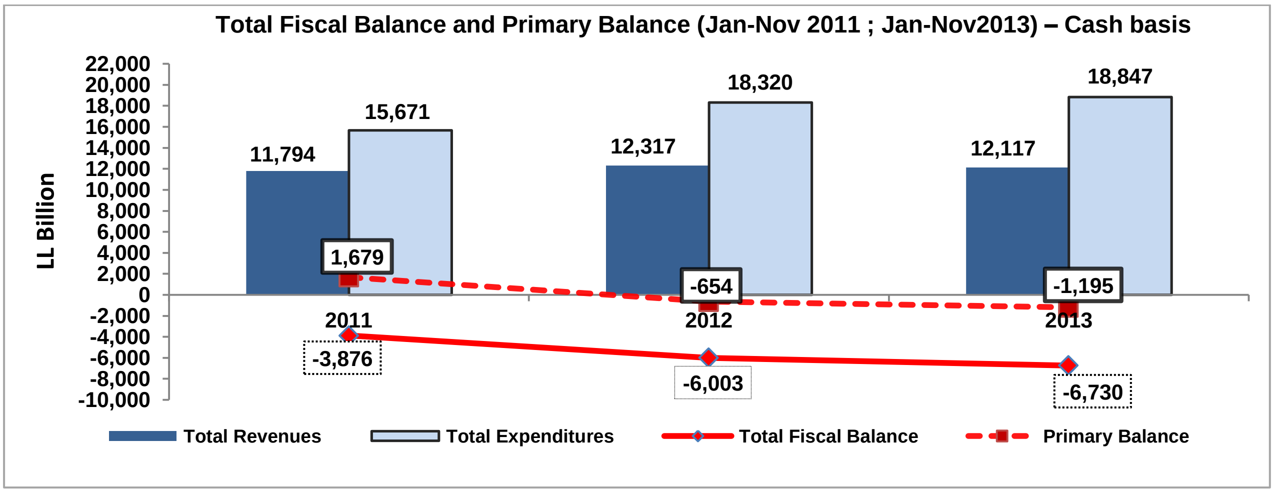
The total fiscal balance registered a deficit of LL 6,003 billion in Jan-Nov 2013, increasing by LL 750 billion (14 percent) from the LL 5,252 billion deficit registered in Jan-Nov 2012 (Table 1). Meanwhile, the primary balance reverted to a deficit of LL 468 billion by end-November 2013, from a surplus of LL 97 billion in the same period of 2012. This deterioration in public finances is the combined result of a LL 526 billion (3 percent) upsurge in expenditures and a LL 224 billion (2 percent) drop in revenues.

Table 1. Summary of Fiscal Performance

(LL billion)	2011 Jan-Nov	2012 Jan-Nov	2013 Jan-Nov	% Change 2013/2012
Total Budget and Treasury Receipts[1]	**12,731**	**13,068**	**12,844**	**-2%**
Total Budget and Treasury Payments, of which	**15,671**	**18,320**	**18,847**	**3%**
• *Interest Payments*	*5,225*	*5,063*	*5,260*	*4%*
• *Concessional loans principal payment[2]*	*329*	*287*	*275*	*-4%*
• *Primary Expenditures[3]*	*10,116*	*12,971*	*13,312*	*3%*
Total Deficit/Surplus	**-2,940**	**-5,252**	**-6,003**	**14%**
Primary Deficit/Surplus	**2,615**	**97**	**-468**	**-581%**

Source: Ministry of Finance (MOF), Directorate General of Finance (DGF)
[1] *Includes the expected transfer from Telecom Surplus*
[2] *Includes only Principal repayments of concessional loans earmarked for project financing*
[3] *Primary expenditures exclude debt related payments (Interest payments and Concessional loans principal repayment)*

On a cash basis, when actual transfers from the telecom surplus – rather than expected amounts - are accounted for in Jan-Nov 2012 and 2013[1], the fiscal deficit widens from LL 6,003 billion in the first eleven months of 2012 to LL 6,730 billion in the same period of 2013. For the same period of time, the primary balance increased from a deficit of LL 654 billion in 2012, to a deficit of LL 1,195 billion in 2013.



Source: Ministry of Finance (MOF), Directorate General of Finance (DGF)

[1] Actual transfers from the Telecom surplus amounted to LL 1,206 billion and LL 972 billion in Jan-Nov 2012 and Jan-Nov 2013 respectively. Transfer expectations provided by the Telecom Ministry had been LL 1,957 billion in Jan-Nov 2012 and LL 1,699 billion in Jan-Nov 2013.

Total revenues[2] summed up to LL 12,844 billion in Jan-Nov 2013, decreasing by 2 percent annually from the LL 13,068 billion collected in the same period in 2012. On a cash basis, these revenues declined from LL 12,317 billion in Jan-Nov 2012, to LL 12,117 billion in the same period of 2013.

Tax revenues reached LL 9,434 billion by the end of November, decreasing by around LL 83 billion (1 percent) from the same period in 2012. Due to the overall slowdown in economic activity and some modifications in tax policy, changes in tax revenues were as follows:

- *Taxes on international trade* dropped by LL 89 billion (4 percent) year-on-year to reach LL 1,979 billion in Jan-Nov 2013. Excise revenues plunged by LL 117 billion, mainly due to a LL 115 billion (24 percent) decrease in tobacco excises (imported quantities of tobacco dropped by 19 percent), following an exceptional LL 111 billion (30 percent) year-on-year increase during Jan-Nov 2012. Additionally, gasoline excises declined by LL 12 billion over the period (imported quantities of gasoline inched down by 3 percent) offsetting the LL 11 billion increase in car excises. The drop in excises was partially offset by LL 27 billion (4 percent) higher receipts from Customs, owing to a 6 percent growth in non-fuel imports during the period under consideration[3]. It is worth mentioning that imports of "Food products"[4] rose by 5 percent, while "Pharmaceutical products" and "Engines, appliances & other machinery" both increased by 14 percent.

- *Taxes on income, profits, and capital gains* declined by LL 12 billion in Jan-Nov 2013 from the LL 2,426 billion recorded in Jan-Nov 2012. Income tax on capital gains and dividends dropped by LL 56 billion (20 percent) to LL 226 billion reflecting the non-recurrent rise of this component in Jan-Nov 2012. Income Tax on Profits depleted by LL 35 billion (4 percent) year-on-year to reach LL 958 billion in Jan-Nov 2013, probably owing to lower company profits in 2012[5]. In contrast, income tax on salaries and wages inclined by LL 60 billion (12 percent) to reach LL 573 billion by end-November 2013, mostly attributed to the increase in private sector wages and the cost of living adjustment in the public sector[6]. Finally, tax on interest income was back on the rise following a LL 5 billion (1 percent) year-on-year decrease during Jan-Nov 2012, increasing by LL 16 billion (3 percent) in Jan-Nov 2013.

- *Stamp fees* decreased by LL 5 billion (1 percent) to reach LL 433 billion in Jan-Nov 2013, compared to LL 438 billion in Jan-Nov 2012.

- *Domestic taxes on goods and services* piled up to LL 3,553 billion in Jan-Nov 2013, increasing by LL 21 billion annually from the LL 3,531 billion collected in the same period of 2012. In detail, private car registration rose by LL 11 billion and passenger departure tax inched up by LL 6 billion from Jan-Nov 2012. Nominal revenues from the value-added tax inched up by LL 9 billion to reach LL 3,108 by end of November 2013; VAT collected internally rose by LL 89 billion, counterbalancing an LL 80 billion drop in VAT collected at customs - a direct consequence of the Parliament's policy decision to lift VAT on gasoil[7].

- *Taxes on property* inched up by LL 2 billion to reach LL 1,055 billion by end November 2013, as "inheritance tax" increased by LL 21 billion, mainly due to the handling of high value files and the fact that Ministry of Finance is speeding up the collection of pending payments. Also, the "built property tax" increased by LL 4 billion to reach LL 161 billion in Jan-Nov 2013. However, these increases were slightly offset by the LL 22 billion drop in "Real Estate Registration Fees". Lower real estate registration fees outline a 3 percent decrease in the total value of property sales in Jan-Nov 2013, reflecting a 5 percent lower number of properties sold during the same period.

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[2] On an expected basis

[3] Kindly note that fuel imports slumped by 15 percent during Jan-Nov 2013, partly due to inconsistent registrations of EDL fuel oil and gasoil. These imports are however subject to low or zero tariff.

[4] Including live animals, animal products, vegetable products, fats and oils, prepared foodstuffs, beverages and tobacco. Kindly note that some of these categories fall under a protectionist policy, and are subject to higher customs rate.

[5] Kindly note that this tax is collected on the previous year's earnings.

[6] The increase in private sector minimum wage and cost of living adjustment for the public sector were both adopted in February 2012, although the latter started to be paid in September 2012 and the respective retroactive payments during QIV 2012.

[6] As per Law 207, dated March 5th, 2012.

Non-tax revenues[8] decreased by LL 268 billion (9 percent) year-on-year, amounting to LL 2,680 billion in Jan-Nov 2013. On a cash basis, non-tax revenues dropped by LL 244 billion (11 percent) to reach LL 1,953 billion as actual transfers from the Telecom surplus weakened to LL 972 billion, from LL 1,206 billion in Jan-Nov 2012, due to a discrepancy in the timing of payments. Other drops in non-tax revenues included: (i) rent of Rafic Hariri International Airport (by LL 19 billion), (ii) retirement deductibles (LL 19 billion), (iii) vehicle control fees (by LL 15 billion), and (iv) Revenues from Casino du Liban (by LL 13 billion). Lower collections from the aforementioned items outweighed the higher transfers from Port of Beirut[9]**,** which amounted to LL 30 billion by end-Nov 2013, compared to *nil* in same period of 2012. It is worth mentioning that revenues from passport fees also fared better by LL 18 billion, over the period under consideration.

Treasury receipts increased by LL 126 billion (21 percent) annually to reach LL 730 billion by end-November of 2013 as a result of rises in "Other Accounts" and "Deposits" by LL 85 billion and LL 21 billion, respectively (*for more information, kindly refer to the August 2013 Public Finance Monitor)*.

Total expenditures registered a rise of 3 percent or LL 526 billion, standing at LL 18,847 billion during Jan-Nov 2013 compared to LL 18,320 billion during the same period of 2012. **Current primary expenditures**[10] decreased by LL 61 billion (1 percent) to reach LL 10,843 billion in Jan-Nov 2013, compared to LL 10,904 billion in 2012, mainly as a the result of the following combined outcomes:

- A decrease of LL 158 billion in various transfers, mainly driven by a LL 474 billion drop in transfers to Electricité du Liban[11], which amounted to LL 2,829 billion in Jan-Nov 2013, as the volume of fuel imports declined by 7 percent from the previous year and the average price of crude oil slid by 3 percent to US$ 108.9 per barrel. Moreover, treasury advances[12] for the amount of LL 201 billion were made to EDL in Jan-Nov 2012, whereas no such transfers were made in Jan-Nov 2013. The decrease in various transfers was slightly offset by (i) a LL 150 billion increase in payments to NSSF, amounting to LL 250 billion in Jan-Nov 2013 compared to LL 100 billion in 2012, (ii) a LL 72 billion growth in contributions to non-public sector[13], (iii) a LL 24 billion payment to IDAL representing administration fees[14] for the years 2010-2013 (iv) and an LL 18 billion rise in transfers to the Higher Council of Relief, totalling LL 108 billion during Jan-Nov 2013 compared to LL 90 billion as a Jan-Nov 2012.
- A LL 130 billion decrease in salaries and wages and related benefits mainly due to a number of exceptional payments during the Jan-Nov 2012 period, namely (a) the retroactive payment of the exceptional degrees for education personnel as per laws 159 and 102 (LL 120 billion), and (b) the 1996-1998 retroactive disbursement to military and civil personnel (LL 68 billion).
- A LL 91 billion drop in retirement and end of service indemnity due to the combined effect of a LL 181 billion decrease in end of service indemnity and a LL 91 billion rise in retirement. The latter grew by 8 percent as a result of (i) the disbursement of the one-time payment of LL 14 billion of 1996-1998 retroactive to military retirees - March 2013; and (ii) the additional 3,000 retirees during 2013 compared to 2012. As for the end of service indemnity, the reason behind the large figure observed in 2012 is due to the additional benefits for early retirement for military personnel;

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[8] On an expected basis

[9] The transfer of LL 30 billion from the Port of Beirut revenues to the MoF is part of the share of revenues for the year 2011.

[12] Current primary expenditures represent current expenditures excluding interest payment and debt service.

[11] Additional details on EDL transfers in Jan-Nov2013 will be available in the November issue of Transfers to Electiricité Du Liban, a monthly snapshot.

[12] Treasury transfers to EDL in Jan-Nov 2012 included (i) LL 180 billion representing the first of three payments made on behalf of EDL, for a leasing contract between EDL and Karpowership on two electricity generation barges, and LL 21 billion made to EDL for VAT payments, as per Laws 9094 and 9095, issued in the National Gazette on October 18, 2012.

[13] Contributions to non-public sector mainly represent transfers to social ministries, namely Ministry of Education (MOE), Ministry of Social Affairs (MOSA), Ministry of Public Health (MOPH), and Ministry of Youth and Sports. For further details relating to the reasons behind the increase in this item, please refer to the October 2013 Public Finance Monitor.

[14] Transfers to IDAL classified under Article 14 (various transfers) represent administrative fees, whereas those classified under Article 229 (other expenditures related to fixed capital assets) relate to Export Plus support.

- A LL 149 billion rise in materials and supplies driven by a LL 124 billion increase in medicaments, chiefly attributed to the transfer of a backlog relating to 2012, and an increase in the cost of new medicaments and treatments.
- A growth in other current expenditures by LL 152 billion, mainly caused by a LL 105 billion increase in transfers to hospitals (due to a discrepancy in the timing of payment) and a LL 48 billion increase in the "Others" account, which includes secret expenditures and judgements.

Interest payments increased by LL 197 billion to reach LL 5,260 billion in Jan-Nov 2013, owing to a LL 238 billion rise in interest payments in foreign currency. **Foreign debt principal repayments** amounted to LL 275 billion in Jan-Nov 2013, less by LL 12 billion compared to the same period in 2012.

Capital expenditures increased by 43 percent or LL 275 billion to reach LL 921 billion in Jan-Nov 2013, up from LL 645 billion in Jan-Nov 2012, chiefly as a result of:

- An increase of LL 117 billion in payments to CDR, *(For further information about the rise in transfers to CDR, kindly refer to the October 2013 Public Finance Monitor.)*
- Higher spending by LL 27 billion by the Ministry of Public Works and Transportation on roads' maintenance and reconstruction,
- More payments for relief assistance (LL 15 billion), including payments for Syrian refugees and reconstruction of damaged houses following several conflicts that took place in different Lebanese regions, and
- Higher payments for "Other Expenditure related to Fixed Capital Assets" (LL 26 billion) mainly due to a LL 25 billion increase in transfers to Export Plus.

Treasury expenditures[15] amounted to LL 1,282 billion in Jan-Nov 2013, up from LL 1,196 billion recorded in Jan-Nov 2012, mainly resulting from higher (i) VAT Refund by LL 83 billion, (ii) deposits by LL 52 billion, and (iii) guarantees by LL 40 billion. *(For further information about the rise in deposits and guarantees, kindly refer to the August 2013 Public Finance Monitor.)*

Gross public debt reached LL 95,359 billion at end-November 2013, up by 9.7 percent from LL 86,959 billion at end-2012, whereas net debt rose by a lower 7 percent given to a 23 percent rise in public sector deposits.

Local currency debt registered an increase of LL 5,732 billion (11.4 percent) in Jan-Nov of 2013 to reach LL 55,930 billion, accounting for almost 59 percent of total debt by end-November. The increase reflects a cumulative rollover ratio, or total TB subscriptions over total principal maturities in the weekly auctions, of 174 percent by end-November 2013. Commercial Banks' local currency debt ended November at LL 29,804 billion, adding 9.3 percent from end-2012, while BDL's local currency debt portfolio jumped by 12.1 percent to reach LL 16,865 billion during the same period. TBs held by public entities climbed by LL 692 billion to reach LL 7,171 billion.

Foreign currency debt amounted to LL 39,429 billion by the end of November 2013, increasing by LL 2,668 billion (7.3 percent) from end-2012, accounting for around 41 percent of gross public debt. This growth in the stock of foreign currency debt was mainly the result an 11.1 percent increase in the Eurobond portfolio to LL 32,688 billion, following: (i) two Eurobond transactions in April carrying a face value of US$ 1.1 billion each (a market issuance and an FX/LL debt replacement with BDL), (ii) a US$ 600 million market transaction in June[16], and (iii) a US$ 175 million FX/LL debt replacement transaction with BDL in September. Paris II and Paris III-related debt (Eurobonds and loans) diminished by 13.7 percent and 10.0 percent respectively in the first eleven

[15] Starting December 2011, the Treasury expenditures section in the monthly, quarterly and yearly reports and its corresponding figures differ from the same section appearing in the fiscal performance reports published by the Ministry of Finance because of the reclassification affecting certain payments from guarantees and treasury advances accounts, which are manually reclassified in their budgetary economic classification articles.

[16] More information on debt transactions in April, June and September 2013 can be found under *Debt Transactions* in the Public Debt Section at the Ministry of Finance Website, under the titles "Re-openings of 6.00 percent USD Notes due 2023 and of 6.75 percent USD Notes due 2027, issued 17 April 2013", "Dual-tranche: 4.50% USD Notes due 2016, and 5.50% Notes due 2019 in Debt Replacement Agreement with BDL, issued 23 April 2013" and "New Issue: US$ 600 million 6.15% USD note due 2020".

months of 2013, mainly as a result of amortized principal repayments. Bilateral, multilateral, and foreign private sector loans declined by LL 99 billion to reach LL 2,486 billion. Special T-bills in foreign currency were up by LL 24 billion from end-2012 at LL 136 billion by the end of November, due to the gross issuance of US$ 16,878,370.95 worth of contractor bonds in February 2013.

Section 1: Revenue Outcome

Table 2. Total Revenues

(LL billion)	2012 Jan-Nov	2013 Jan-Nov	% Change 2013/2012
Budget Revenues, of which	**12,464**	**12,114**	**-2.8%**
Tax Revenues	*9,516*	*9,434*	*-0.9%*
Non-Tax Revenues	*2,948*	*2,680*	*-9.1%*
Treasury Receipts	**604**	**730**	**20.9%**
Total Revenues	**13,068**	**12,844**	**-1.7%**

Source: Ministry of Finance (MOF), Directorate General of Finance (DGF)

Table 3. Tax Revenues

(LL billion)	2012 Jan-Nov	2013 Jan-Nov	% Change 2013/2012
Tax Revenues:	**9,516**	**9,434**	**-0.9%**
Taxes on Income, Profits, & Capital Gains, of which	**2,426**	**2,414**	**-0.5%**
Income Tax on Profits	*993*	*958*	*-3.5%*
Income Tax on Wages and Salaries	*513*	*573*	*11.6%*
Income Tax on Capital Gains & Dividends	*282*	*226*	*-19.8%*
Tax on Interest Income (5%)	*599*	*615*	*2.6%*
Penalties on Income Tax	*37*	*42*	*13.9%*
Taxes on Property, of which:	**1052**	**1055**	**0.2%**
Built Property Tax	*158*	*161*	*2.3%*
Real Estate Registration Fees	*760*	*738*	*-2.9%*
Domestic Taxes on Goods & Services, of which:	**3,531**	**3,553**	**0.6%**
Value Added Tax	*3,099*	*3,108*	*0.3%*
Other Taxes on Goods and Services, of which:	*323*	*340*	*5.3%*
Private Car Registration Fees	*182*	*194*	*6.2%*
Passenger Departure Tax	*139*	*145*	*4.7%*
Taxes on International Trade, of which:	**2,069**	**1,979**	**-4.3%**
Customs	*723*	*750*	*3.8%*
Excises, of which:	*1,346*	*1,230*	*-8.7%*
Gasoline Excise	*455*	*443*	*-2.6%*
Tobacco Excise	*484*	*369*	*-23.8%*
Cars Excise	*398*	*410*	*2.8%*
Other Tax Revenues (namely fiscal stamp fees)	**438**	**433**	**-1.1%**

Source: Ministry of Finance (MOF), Directorate General of Finance (DGF)

Table 4. Non-Tax Revenue

(LL billion)	2012 Jan-Nov	2013 Jan-Nov	% Change 2013/2012
Non-Tax Revenues	**2,948**	**2,680**	**-9.1%**
Income from Public Institutions and Government Properties, of which	**2,287**	**2,026**	**-11.4%**
Income from Non-Financial Public Enterprises, of which:	2,138	1,896	-11.3%
Revenues from Casino Du Liban	*128*	*115*	*-9.9%*
Revenues from Port of Beirut	*0*	*30*	-
Budget Surplus of National Lottery	*51*	*50*	*-2.6%*
Transfer from the Telecom Surplus [1/]	*1,957*	*1,699*	*-13.2%*
Transfer from Public Financial Institution (BDL)	60	61	1.1%
Property Income (namely rent of Rafic Hariri International Airport)	81	62	-23.1%
Other Income from Public Institutions (interests)	8	7	-15.6%
Administrative Fees & Charges, of which:	**510**	**525**	**2.8%**
Administrative Fees, of which:	419	421	0.4%
Notary Fees	*27*	*28*	*1.9%*
Passport Fees/ Public Security	*110*	*128*	*16.9%*
Vehicle Control Fees	*203*	*188*	*-7.5%*
Judicial Fees	*27*	*23*	*-14.9%*
Driving License Fees	*18*	*18*	*1.1%*
Administrative Charges	19	30	52.2%
Sales (Official Gazette and License Number)	3	2	-20.3%
Permit Fees (mostly work permit fees)	58	60	3.4%
Other Administrative Fees & Charges	11	12	8.8%
Penalties & Confiscations	**9**	**8**	**-13.6%**
Other Non-Tax Revenues (mostly retirement deductibles)	**141**	**122**	**-13.6%**

Source: Ministry of Finance (MOF), Directorate General of Finance (DGF)
1/Out of the expected LL 1,957 billion in Jan-Nov 2012, LL 1,206 billion was effectively transferred from the Telecom surplus. Out of the expected LL 1,699 billion in Jan- Nov 2013, LL 972 billion was effectively transferred from the Telecom Surplus.

Section 2: Expenditure Outcome

Table 5. Expenditure by Economic Classification

(LL billion)	2012 Jan-Nov	2013 Jan-Nov	% Change
1. Current Expenditures	**16,254**	**16,378**	**0.8%**
1.a Personnel Cost, of which	6,070	5,808	-4.3%
Salaries, Wages and Related Items (Article 13)	*3,922*	*3,792*	*-3.3%*
Retirement and End of Service Compensations, of which:	*1,777*	*1,686*	*-5.1%*
Retirement	*1,360*	*1,450*	*6.7%*
End of Service	*417*	*236*	*-43.4%*
Transfers to Public Institutions to Cover Salaries 1/	*371*	*330*	*-11.2%*
1.b Interest Payments, of which: 2/	5,063	5,260	3.9%
Domestic Interest Payments	*3,090*	*3,049*	*-1.3%*
Foreign Interest Payments	*1,973*	*2,211*	*12.1%*
1.c Foreign Debt Principal Repayment	287	275	-4.2%
1.d Materials and Supplies, of which:	274	423	54.2%
Nutrition	*52*	*68*	*29.3%*
Fuel Oil	*39*	*12*	*-68.9%*
Medicaments	*111*	*235*	*111.5%*
Accounting Adjustments for Treasury advances 3/	*34*	*31*	*-9.0%*
1.e External Services	113	143	26.9%
1.f Various Transfers, of which:	3,984	3,825	-4.0%
EDL 4/	*3,303*	*2,829*	*-14.3%*
NSSF	*100*	*250*	*150.0%*
Higher Council of Relief	*90*	*108*	*19.4%*
Contributions to non-public sectors	*189*	*261*	*38.1%*
Treasury advances for diesel oil subsidy	*19*	*0*	
Transfers to Directorate General of Cereals and Beetroot	*65*	*78*	*20.5%*
Contributions to water authorities	*18*	*10*	*-44.6%*
Special Tribunal for Lebanon	*0*	*0*	
Gasoline subsidy for taxi drivers	*8*	*1*	*-81.0%*
Accounting Adjustments for Treasury advances 3/	*0*	*0*	*-7.9%*
1.g Other Current, of which:	297	450	51.3%
Hospitals	*239*	*344*	*44.0%*
Others(judgments & reconciliations, mission costs, other)	*56*	*104*	*86.0%*
Accounting Adjustments for Treasury advances 3/	*1*	*0*	*-90.6%*
1.h Reserves	166	194	16.8%
Interest subsidy	*166*	*194*	*16.8%*
2. Capital Expenditures	**645**	**921**	**42.6%**
2.a Acquisitions of Land, Buildings, for the Construction of Roads, Ports, Airports, and Water Networks	0	14	5185.7%
2.b Equipment	59	69	16.3%
2.c Construction in Progress, of which:	418	540	29.4%
Displaced Fund	*48*	*0*	*-100.0%*
Council of the South	*45*	*28*	*-38.9%*
CDR	*186*	*304*	*63.1%*
Ministry of Public Work and Transport	*103*	*131*	*26.5%*
Other of which:	*32*	*67*	*110.8%*
Higher Council of Relief	*4*	*15*	
2.d Maintenance	162	268	65.0%
2.e Other Expenditures Related to Fixed Capital Assets	3	29	781.7%
2.f Parliamentary Equipment and Maintenance 5/	3	0	
2.g Accounting Adjustments for Treasury advances 3/	0	0	-6.3%
3. Budget Advances 6/	**186**	**224**	**20.0%**

4. Customs Administration (exc. Salaries and Wages) 7/	**39**	**37**	**-4.5%**
5. Treasury Expenditures 8/	**1,196**	**1,282**	**7.2%**
Municipalities	669	591	-11.7%
Guarantees	50	89	80.4%
Deposits 9/	101	153	52.2%
Other, *of which*:	377	449	19.1%
VAT Refund	*206*	*289*	*40.4%*
6. Unclassified Expenditures	**1**	**5**	**832.5%**
7. Total Expenditures (Excluding CDR Foreign Financed)	**18,320**	**18,847**	**2.9%**

Source: Statement of Account 36, Cashier Spending, Public Debt Department Figures, Fiscal Performance Gross Adjustment Figures

1/ For a detailed breakdown of those transfers, kindly refer to table 6.
2/ For a detailed breakdown of interest payments, kindly refer to table 7.
3/ The expenditure figures as published by the ministry of finance include the regularization from the budget allocations of treasury advances previously paid from treasury accounts. These regularizations are included on both the revenue and expenditure side for accounting purposes and do not constitute an actual spending that affects the deficit.
4/ For a detailed breakdown of transfers to EDL, kindly refer to table 8. EDL has been reclassified to various transfers from "other treasury expenditures", following the reclassification of the 2009 Budget Proposal and in line with the Fiscal Performance.
5/ These are reclassifications of payments made from the guarantees under Law 123 dated 23 July 2010, that opened, in the 2010 Budget, a LL20 billion allocation for the equipment and maintenance of the House of Parliament. The law allowed the provision of an emergency advance issued by a Decision from the Speaker of Parliament specifying the amount and the duration of the advance. The advance is to be regularized based on invoices certified by the Secretariat of the Office of Parliament and submitted to the Ministry of Finance.
6/ Budget Advances were previously classified under "other". Given their growth, and in line with the Ministry of Finance's efforts to ensure transparency, they will be published in a separate line. They will be regularized at a later stage, and it is only after their regularization that they can be classified according to their economic nature in the budget system..
7/ Customs administration include payments - excluding salaries and wages - made to customs and paid from customs cashiers. They can only be classified after Customs submit the supporting documents to the Directorate General of Finance.
8/ Starting December 2011, the Treasury expenditures section in the monthly , quarterly and yearly reports and its corresponding figures differ from the eponym section appearing in the Fiscal performance reports published by the Ministry of Finance because of the reclassification affecting certain payments from guarantees and treasury advances accounts which are manually reclassified in their budgetary economic classification articles..
9/Deposit payments are payments made by the treasury to public administrations, institutions, municipalities, funds, from revenues collected by them.

Table 6. Breakdown of Transfers to Public Institutions for the Coverage of Salaries

(LL billion)	**2012 Jan-Nov**	**2013 Jan-Nov**	**% Change 2013/2012**
Transfer to Council of the South	10	7	-32.8%
Transfer to Council for Development and Reconstruction (CDR)	32	27	-17.4%
Transfer to the Displaced Fund	6	5	-19.0%
Transfer to the Lebanese University	313	279	-10.9%
Transfer to the Educational Center for Research and Development	10	13	26.8%

Source: Ministry of Finance (MOF), Directorate General of Finance (DGF)

Table 7. Details of Debt Service Transactions

(LL billion)	**2012 Jan-Nov**	**2013 Jan-Nov**	**% Change 2013/2012**
Interest Payments	**5063**	**5260**	**4%**
Local Currency Debt	3090	3049	-1%
Foreign Currency Debt, of which:	1973	2211	12%
*Eurobond Coupon Interest**	*1854*	*2086*	*13%*
*Special bond Coupon Interest**	*5*	*6*	*21%*
Concessional Loans Interest Payments	*114*	*119*	*4%*
Concessional Loans Principal Repayments	**287**	**275**	**-4%**

Source: Ministry of Finance (MOF), Directorate General of Finance (DGF)

* Includes general expenses related to the transaction

Table 8. Transfers to EDL[1]

(LL billion)	2012 Jan-Nov	2013 Jan-Nov	% Change 2013/2012
EDL *of which:*	**3,303**	**2,829**	**-14.3%**
Debt Service *of which:*	**107**	**65**	**-39.5%**
- C-Loans, *of which:*	42	35	-15.9%
Principal Repayments	*34*	*29*	*-15.7%*
Interest Payments	*7*	*6*	*-16.6%*
- BDL Guaranteed Loan payments	65	30	-54.5%
Reimbursement for purchase of Natural Gas, Fuel & Gas Oil:	**2,996**	**2,765**	**-7.7%**
- KPC & SPC	2,996	2,765	-7.7%
- EGAS	0	0	0.0%
Treasury Advance-VAT on fuel oil LC 9094-12/10/2012 Amount: LBP 40 BILLION to EDL	201	0	-

Source: Ministry of Finance (MOF), Directorate General of Finance (DGF)

(1) Prior to 2005, transfers to EDL were recorded under the line item "treasury expenditures", because they were paid through treasury advances based on decrees issued by the Council of Ministers. Starting 2005, transfers to EDL were included in the yearly budget as an allocation classified as a loan. In 2009, the said budget item was reclassified to become a subsidy to the electricity company rather than a treasury. In the fiscal performance, transfers to cover EDL's gas and fuel oil remained classified under "treasury expenditures" until August 2010 when it was reclassified under "budget expenditures". This reclassification, however, was not reflected in the 2010 PFM issues to avoid a disruption in the series and in order to keep the figures published in the PFM throughout 2010 consistent and comparable. Since January 2011, EDL transfers are reclassified under "budget expenditures".

Section 3: Public Debt

Table 9. Public Debt Outstanding by Holder as of End-Nov 2013

(LL billion)	Dec-10	Dec-11	Dec-12	Nov-13	Change Dec 12 -Nov 13	% Change Dec 12-Nov 13
Gross Public Debt	**79,298**	**80,887**	**86,959**	**95,359**	**8,400**	**9.7%**
Local Currency Debt	**48,255**	**49,340**	**50,198**	**55,930**	**5,732**	**11.4%**
a. Central Bank (Including REPOs	13,130	16,374	15,049	16,865	1,816	12.1%
b. Commercial Banks	27,214	25,177	27,267	29,804	2,537	9.3%
c. Other Local Currency Debt (T-bills), *of which:*	7,911	7,789	7,882	9,261	1,379	17.5%
Public Entities	*6,268*	*6,538*	*6,479*	*7,171*	692	10.7%
Contractor bonds[(1)]	-	*41*	*134*	*134*	*0*	0.0%
** Accrued Interest Included in Debt*	*867*	*788*	*789*	*889*	*100*	12.7%
Foreign Currency Debt [(2)]	**31,043**	**31,547**	**36,761**	**39,429**	**2,668**	**7.3%**
a. Bilateral, Multilateral and Foreign Private Sector Loans	2,624	2,566	2,584	2,486	-99	-3.8%
b. Paris II Related Debt (Eurobonds and Loans)[(3)]	4,137	3,512	2,925	2,525	-400	-13.7%
c. Paris III Related Debt (Eurobonds and Loans)[(4)]	1,855	1,723	1,313	1,182	-131	-10.0%
d. Market-Issued Eurobonds	21,870	23,259	29,427	32,688	3,261	11.1%
e. Accrued Interest on Eurobonds	483	407	400	413	13	3.3%
f. Special T-bills in Foreign Currency[(5)]	74	80	112	136	24	21.4%
Public Sector Deposits	**11,419**	**10,984**	**12,916**	**15,842**	**2,926**	**22.7%**
Net Debt	**67,879**	**69,903**	**74,043**	**79,517**	**5,474**	**7.4%**
Gross Market Debt[(6)]	**51,308**	**50,192**	**58,623**	**65,142**	**6,519**	**11.1%**
% of Total Debt	**65%**	**62%**	**67%**	**68%**	**0**	**1.3%**

Source: Ministry of Finance, Banque du Liban

(1) Contractor bonds issued in LBP. Contractor bonds issued in USD are listed under "Special T-bills in foreign currency."
(2) Figures for Dec 10- Dec 12 may differ from previously published data due to updated information regarding bilateral and multilateral loans in the DMFAS system.
(3) Paris II related debt (Eurobonds and Loans) including a Eurobond originally issued at USD 1,870 billion to BDL in the context of the Paris II conference.
(4) Eurobonds issued to Malaysia as part of its Paris III contribution, IBRD loan, UAE loan, first tranche of the French loan received in February 2008 and part of second tranche received October 2012, first tranche EC/EU loan, and AMF loan disbursed in June 2009.
(5) Special T-bills in foreign currency (expropriation and contractor bonds).
(6) Gross market debt equals gross debt less the portfolios of the BDL, NSSF, bilateral and multilateral loans, Paris II and Paris III related debt.

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